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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-74-2018]

Foreign-Trade Zone (FTZ) 18 – San Jose, California; Notification of Proposed Production Activity; Bloom Energy Corporation (Commercial Fuel Cells and Related Subassemblies), Sunnyvale and Mountain View, California

The City of San Jose, California, grantee of FTZ 18, submitted a notification of proposed production activity to the FTZ Board on behalf of Bloom Energy Corporation (Bloom), located at sites in Sunnyvale and Mountain View, California. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on November 15, 2018.

The Bloom facility is located within Subzone 18I. The facility is used for the production of commercial fuel cells and related subassemblies. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Bloom from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Bloom would be able to choose the duty rates during customs entry procedures that apply to: piping manifolds; water distribution modules; fuel processing units; fuel cell power modules (DC generators); nickel iron alloy fuel cell power module enclosures (housings); power

inverters; and, energy storage and distribution modules (duty rates range from duty-free to 3.8%). Bloom would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: glass powder; ceramic substrates; plastic labels; plastic containers with sleeves; plastic enclosure bags; plastic cable ties; rubber grommets; adhesives; cardboard boxes; textile paper filters; zirconia alumina shaping stones; ceramic heat plating; glass fiber insulation jackets; nickel alloy wire probes; alloy steel adapters; stainless steel tubing; stainless steel coated tubing; stainless steel spacers; stainless steel pipes; stainless steel flanges; stainless steel pipe fixtures; stainless steel clamps; stainless steel screws; stainless steel washers; stainless steel cable; stainless steel spacers; nickel plates; nickel mesh; chromium alloy powder; iron and steel flexible tubing with fittings; cooling fans; prototype compressors; axial fan motors; fan cable connectors; fan mount rubber gaskets; aluminum plate-fin heat exchangers; heat exchange units; water filtering machinery; stainless steel weldments; filtering equipment; gas filtering canisters; gas filtering canister brackets; hoists; aluminum screens with frames; stainless steel valves; solenoid valves; inlet/outlet manifolds; housing units for fuel cells; iron/nickel alloy and ceramic fuel cell dielectrics; dielectric transformers for inverters; transformers 1kVA power handling capacity; power inverters; fuel cell control units; rectifier and static converter power cards; rectifier and static converter circuit boards; rectifier and static converter mounting brackets; mixed alloy rectifier and static converter casings; static converters; holding magnets; electric capacitors; electric capacitor caps; programmable

controllers; printed circuit boards; electrical contactors; electrical terminators; electrical fuses; printed circuit boards; contactors; electrical controller backplanes and handles; multimodal switchboard antennas; multimodal switchboard mounting switches; internal frames for multimodal switchboards; electrical controllers; diodes; cables for telemetry equipment; electrical conductors fitted with connectors; electrical conductors for telecommunication; copper electrical conductors; cables with fitted connectors; plastic insulating fittings; thermocouples; probe wires; electrical thermocouple assemblies; thermocouple assembly terminals; gas flow meters; transducers; electricity meters; programmable load boxes; fuel cell output (harmonics, temperature and luminosity) measuring devices; mass flow controllers; power conditioning systems regulating power control in fuel cell; mixed alloy interconnecting plates; and, chromium iron interconnect plates (duty rates range from duty-free to 8.5%). The request indicates that textile paper filters will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request also indicates that certain materials/components are subject to special duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) and Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: November 16, 2018.

Elizabeth Whiteman,

Acting Executive Secretary.

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